

M. Wallin

6601 Bergenwood AVE. , North Bergen,, NJ 07047

FEB 2 2005

November 1, 2005 1:44 PM

Representative Robert Menendez
U.S. House of Representatives
2238 Rayburn House Office Building
Washington, DC 20515-0001

Subject: Re: Federal-State Joint Board on Universal Service CC Docket 96-45

Dear Representative Menendez:

I have serious concerns regarding the Federal Communications Commissions' (FCC) position to change the Universal Service Fund (USF) collection method to a monthly flat fee. Many of your constituents, including me, my friends, family and neighbors, will be negatively impacted by the unfair change proposed by the FCC.

As you know, USF is currently collected on a revenue basis. People who use more pay more into the system. If the FCC changes that system to a flat fee, that means that someone who uses one thousand minutes a month of long distance, pays the same amount into the fund as someone who uses zero minutes of long distance a month. Constituents who use their limited resources wisely should not be penalized for doing so.

A flat fee tax could cause many low-volume long distance users, like students, prepaid wireless users, senior citizens and low-income residential and rural consumers, to give up their phones due to unaffordable monthly increases on their bills. Shifting the funding burden of the USF from high volume to low-volume users is radical and unnecessary. In addition, it would have a highly detrimental effect on small businesses all across America. The Keep USF Fair Coalition, of which I am a member, keeps me informed about the USF issue with monthly newsletters and up to date information on their website, including links to FCC information. While I am aware that federal law does not require companies to recover, or "pass along" these fees to their customers, the reality is that they do. As a consumer I would like ensure I am charged fairly. If the FCC goes to a numbers taxed, my service will cost more. And according to the Coalition's recent meetings with top FCC officials, the FCC has plans to change to a flat fee system soon and without legislation.

I will continue to monitor developments on the issue and continue to spread the word to my community. I request you pass along my concerns to the FCC on my behalf, letting them know how a flat fee tax could disproportionately affect those in your constituency.

Thank you for your continued work and I look forward to hearing about your position on this matter.

Sincerely,

Allan M. Wallin

cc:
The Federal Communications Commission

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